

Message Text

CONFIDENTIAL

PAGE 01 LONDON 07906 01 OF 02 121752Z
ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 CIAE-00 DODE-00 PM-04 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02
SS-15 USIA-06 TRSE-00 EB-07 /065 W
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P 121735Z MAY 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC PRIORITY 3833
INFO AMCONSUL BELFAST
AMCONSUL EDINBURGH

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 07906

E.O. 11652: XGDS-1
TAGS: PINT, PFOR, PGOV, UK
SUBJECT: JAY APPOINTMENT KICKS UP POLITICAL STORM

SUMMARY - THE ANNOUNCEMENT THAT PETER JAY, PRIME MINISTER CALLAGHAN'S SON-IN-LAW, HAD BEEN NAMED HM'S AMBASSADOR TO THE U.S. TRIGGERED STRONG AND GENERALLY NEGATIVE REACTIONS FROM ALL SIDES. THE SHARPEST REACTION CAME FROM THE PARLIAMENTARY LABOR PARTY (PLP) WHICH HAS LONG BEEN HOSTILE TO PATRONAGE AND NEPOTISM, AND UNIFORMLY PERCEIVES THE JAY APPOINTMENT AS A MAJOR POLITICAL BLUNDER. FROM THE DOMESTIC POLITICAL VIEW-POINT, THERE IS LITTLE DOUBT THAT THE APPOINTMENT WILL BE POLITICALLY DAMAGING TO CALLAGHAN AND THE GOVERNMENT. THE ONLY QUESTIONS ARE THE EXTENT AND LONGER-TERM EFFECTS OF THIS DAMAGE. WE ARE INCLINED TO BELIEVE CALLAGHAN'S GENERAL CREDIBILITY AND POPULARITY WILL SUFFER, AND THAT THESE LOSSES CANNOT BE FULLY RECOVERED. END SUMMARY.

1. FOREIGN SECRETARY DAVID OWEN MAY 11 ANNOUNCED THE APPOINTMENT OF PETER JAY, ECONOMICS EDITOR OF "THE TIMES" AND PRIME MINISTER CALLAGHAN'S SON-IN-LAW, AS
CONFIDENTIAL

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PAGE 02 LONDON 07906 01 OF 02 121752Z

AMBASSADOR TO THE U.S. JAY IS EXPECTED TO TAKE OVER THE POST IN JULY WHEN AMBASSADOR RAMSBOTHAM MOVES TO BERMUDA TO BECOME GOVERNOR. FEW PEOPLE WOULD TAKE ISSUE WITH PROPOSITION THAT THE 40-YEAR-OLD JAY IS ONE OF THE MOST ABLE MEN OF HIS GENERATION AND CAPABLE OF BECOMING AN OUTSTANDING ENVOY -- FULL BIO DATA FOLLOWS. AND SINCE WASHINGTON HAS HAD A NUMBER OF NON-CAREER UK

AMBASSADORS, THERE IS LITTLE OPPOSITION ON THAT SCORE. HOWEVER, JAY'S RELATIONSHIP TO CALLAGHAN HAS BEEN THE ISSUE ON WHICH THE APPOINTMENT HAS BEEN JUDGED, AND THE JUDGMENT HAS BEEN OVERWHELMINGLY NEGATIVE. TOLD THE CHARGE THAT HE HAD RESISTED JAY'S APPOINTMENT INITIALLY BECAUSE OF THE EXPECTED POLITICAL REPERCUSSIONS, BUT HAD RELUCTANTLY ACCEDED TO IT UNDER INTENSE PRESSURE FROM OWEN. CALLAGHAN ACKNOWLEDGED THAT THE APPOINTMENT WOULD RAISE A BARRAGE OF POLITICAL FLAK, BUT ULTIMATELY CONCLUDED THAT JAY WAS EXTREMELY ABLE AND SHOULD NOT BE PENALIZED BY VIRTUE OF THEIR RELATIONSHIP.

3. THE STRONGEST AND MOST NEGATIVE REACTION CAME FROM LABOR BACKBENCH MP'S, THOUGH THE CONSERVATIVES, NO STRANGERS TO KINSHIP, SCHOOL TIES AND CONNECTIONS IN TERMS OF POLITICAL ADVANCEMENT, WERE MOSTLY DELIGHTED TO JOIN THE CHORUS OF CRITICISM. THEY WILL NO DOUBT KEEP UP THE PRESSURE. SARDONIC HUMOR WAS THE MOST COMMON FORM OF EXPRESSION: "IT'S NICE TO SEE A LABOR LAD GETTING ON" (LEFT-WING LABOR MP); "IT'S ALL THE FAULT OF INFLATION -- WILSON ONLY GAVE HIS SISTER THE MBE" (RIGHT-WING LABOR MP); "WHO'S GOING TO MARRY MAGGIE'S (THATCHER) DAUGHTER, CAROL?" (TORY MP); AND "SO THIS IS WHAT THE THINK TANK MEANT BY REVAMPING THE DIPLOMATIC SERVICE" (LIBERAL MP). SOME LABOR MP'S SPEAKING FOR THE RECORD, HOWEVER, WERE SERIOUS: "IT'S DEPRESSINGLY LIKE WILSON AT HIS WORST", SAID ONE, WHILE ANOTHER WAS MOVED TO COMMENT. "IT'S INDEFENSIBLE. CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LONDON 07906 01 OF 02 121752Z

DREADFUL LABOR PARTY NEPOTISM". THE MEDIA, EXCEPT FOR "THE TIMES", WHICH STUDIOUSLY MAINTAINED ITS IMPARTIALITY, PLAYED THE NEWS IN A SIMILAR VEIN.

4. THE PLP'S RIGHT-WING MANIFESTO GROUP WAS TROUBLED ENOUGH TO CALL A SPECIAL MEETING AND INSTRUCT ITS CHAIRMAN TO EXPRESS TO OWEN ITS SERIOUS CONCERN OVER THE JAY APPOINTMENT. PRIVATELY, ONE MANIFESTO MP TOLD US THAT HE AND HIS RIGHT-WING COLLEAGUES WERE APPALLED AT WHAT THEY REGARDED A PROFOUND POLITICAL BLUNDER BY CALLAGHAN. BY APPOINTING JAY, THEY BELIEVE HE HAS INDELIBLY TARNISHED HIS REPUTATION AS AN HONEST, OPEN LEADER, AND THAT IMAGE WAS ABOUT THE ONLY THING THE PARTY HAS HAD GOING FOR IT RECENTLY. THEY WERE AT A LOSS TO EXPLAIN HOW SOMEONE OF CALLAGHAN'S POLITICAL EXPERIENCE COULD MAKE SUCH A MISJUDGMENT. AND BELIEVE PRESS REPORTS THAT HE ONLY AGREED TO THE APPOINTMENT

CONFIDENTIAL

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PAGE 01 LONDON 07906 02 OF 02 121752Z
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C O N F I D E N T I A L SECTION 02 OF 02 LONDON 07906

BECAUSE OF PRESSURE FROM OWEN INTENSIFY THE DAMAGE.
"WHO'S IN CHARGE?",THEY ASK. ONE OF OUR MODERATE
SOURCES ALSO REPORTED THAT THESE GENERAL VIEWS ARE
SHARED BY MOST OF CALLAGHAN'S CLOSEST POLITICAL SUP-
PORTERS, INCLUDING HIS PPS. IN ADDITION TO THE BLOW
TO PLP MORALE, OUR RIGHT-WING AND MODERATE SOURCES
WERE UNANIMOUS IN BELIEVING THAT THE APPOINTMENT WILL
ALIENATE LARGE NUMBERS OF TRADITIONAL LABOR VOTERS,
AND DOUBT THAT THIS DAMAGE CAN BE UNDONE. IF, THEY
ARGUE, THE GOVERNMENT SHOULD DECIDE TO WITHDRAW THE
APPOINTMENT, OR JAY DECIDE NOT TO ACCEPT IT (HIGHLY
IMPROBABLE CONTINGENCIES, IN OUR VIEW), THE REACTION
TO AN APPARENT BACKDOWN WOULD BE EVEN MORE DAMAGING.

5. FROM WHAT WE WERE ABLE TO INFER FROM CONVERSATIONS
WITH RIGHT-WINGERS AND MODERATES, THEIR ANGER IS
LIBERALLY TINGED WITH SORROW. BUT IT IS A DIFFERENT
STORY ON THE LEFT. ACCORDING TO LEFT-WINGERS, THEY
SHARE THE GENERAL PERCEPTIONS AND JUDGMENTS OF THE RIGHT
AND CENTER. BUT THEIR LEVEL OF HOSTILITY IS SOMEWHAT
HIGHER AND THEIR ANGER TINGED WITH CYNICISM RATHER THAN
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 07906 02 OF 02 121752Z

SORROW.

6. COMMENT: SINCE THE CRITICISM OF THE JAY APPOINTMENT HAS CENTERED ON HIS RELATIONSHIP TO CALLAGHAN, AND JAY'S GIFTS ARE UNIVERSALLY ACKNOWLEDGED, IT IS RATIONAL TO ASSUME THAT THIS POLITICAL MAELSTROM WILL WEAR ITSELF OUT IN A SHORT TIME. BUT RATIONALITY IS OFTEN A POOR TEST OF LABOR PARTY ATTITUDES, AND IT IS AT THE EMOTIONAL LEVEL THE JAY APPOINTMENT STRIKES. THE LABOR PARTY HAS TRADITIONALLY STOOD FORESQUARE AGAINST THE NEPOTISM AND THE OTHER TIES THAT HAVE PLAYED SUCH AN IMPORTANT PART IN THE DYNAMICS OF THE BRITISH ESTABLISHMENT. THAT THIS PRINCIPLE HAS BEEN VIOLATED BY LABOR WHEN IN POWER MERELY REINFORCES THE EMOTIONAL COMMITMENT TO IT, AND THIS COMMITMENT PERMEATES ALL LEVELS OF THE PARTY. FORMER PARTY LEADER WILSON'S STRONGEST CRITICS WITHIN THE PARTY ATTACKED HIS OFTEN BLATANT POLITICAL OPPORTUNISM AND LACK OF IDEOLOGICAL COMMITMENT, BUT RARELY WITHOUT A TOUCH OF GRUDGING ADMIRATION FOR HIS POLITICAL SKILLS. YET THEY COULD NEVER FORGIVE THE WAY HE USED PATRONAGE -- GOVERNMENT POSTS, HONORS LISTS, APPOINTMENTS TO PUBLIC BODIES -- TO ADVANCE HIS INTERESTS.

7. ACCORDINGLY, WE AGREE THAT CALLAGHAN MADE A SERIOUS POLITICAL MISCALCULATION WHEN APPOINTING JAY. WE CAN ACCEPT THAT OWEN, STILL AN APPRENTICE POLITICAL OPERATOR, COULD MISREAD ITS LIKELY IMPACT, BUT IT IS HARD TO UNDERSTAND HOW A POLITICAL CRAFTSMAN OF CALLAGHAN'S STATURE COULD MISJUDGE THE SITUATION SO BADLY. THE PLP ASSESSMENT OF THE POLITICAL COST OF THIS ERROR MAY WELL BE EXAGGERATED, BUT WE NOTE THAT IT CAME AT A TIME WHEN LABOR'S MORALE IS SAGGING DUE TO RECENT BY-ELECTION LOSSES, LOCAL ELECTION DEFEATS, THE PACT WITH THE LIBERALS AND A STAGNATING ECONOMY. THE APPOINTMENT IS NOT LIKELY TO AFFECT THE GOVERNMENT'S PARLIAMENTARY

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LONDON 07906 02 OF 02 121752Z

ACCORD WITH THE LIBERALS, BUT IT WILL PROBABLY SPEED THE PROCESS OF POLITICAL ROT IN THE LABOR GOVERNMENT.

8. LATE POINT: THE CHARGE PHONED JAY MAY 12 TO OFFER HIS CONGRATULATIONS. IN THE COURSE OF THEIR CONVERSATION, JAY SAID THAT HE HAD ANTICIPATED AN ADVERSE REACTION FROM THE PLP, BUT THAT IT HAD BEEN FAR STRONGER THAN EXPECTED. HE WAS, HOWEVER, CONCERNED ABOUT THE POSSIBLE REACTION IN THE U.S. THE CHARGE PROMISED TO ADVISE HIM OF ANY INFORMATION WE RECEIVE ON THAT SUBJECT. ACTION REQUESTED: DEPARTMENT PLEASE CABLE

SIGNIFICANT MEDIA OR OTHER REACTION TO JAY APPOINTMENT.

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